

except in the instances that I cited and others like that.

So as you look ahead to your own responsibilities, I would just mention two things. Number one, every community needs to develop a system of dealing with the children of the community. Number two, the welfare reform bill in the budget that we just agreed to will include tax incentives that are very tightly targeted to move people from welfare to work. And States have the power actually to give employers what used to be the welfare check as an employment and training subsidy.

I would hope that the members of the YPO would consider whether or not there is a role for you to play in your States and your communities, because under the welfare reform law, we have to move almost a million people from welfare to work in the next 4 years. We moved a million people from welfare to work in the last 4 years, but over 40 percent of that was the growth of the economy, and we produced 12.5 million new jobs. Maybe we can do it again. It's never happened in the history of the country before that we've had 8 years that good, back to back. Maybe we can do it again.

But under the law, we have to move that many people from welfare to work, whether the private economy produces 40 percent of those jobs or not, in the ordinary course of growth. There will be incentives there, but we had to do this—I would argue we had to do something like this to break the cycle of dependency that so many people were trapped in. But having now told people, most of whom are single mothers with very small children, that there is a limit to how much public assistance you can have, and you have to go to work at the end of a certain amount of time, period, we have to make sure that there are jobs there for them.

The communities of our country are going to get about \$3 billion that will go into the high unemployment areas to do community service work when there's no way the private sector could do it. But for the rest, it will have to be done by the private sector. So I hope that while you're here and after you go home, you will be willing to consider whether there's something you could do to help us deal with this problem. Because if

we can break the cycle of dependency and all people who are out of work who are adult, able-bodied, and otherwise have the capacity to work, begin to be treated the same instead of having some people disaggregated over here as being on welfare as if they couldn't work, we will have gone a long way toward changing the future of children in America and, therefore, changing the future of the country.

Thank you very much.

NOTE: The President spoke at 2:48 p.m. in Room 450 of the Old Executive Office Building.

Remarks at a Democratic Business Council and Women's Leadership Forum Dinner

May 19, 1997

Thank you. Please be seated. Thank you, Tom, and thank you, Cynthia, for your wonderful work. And I want to thank Steve Grossman and Alan Solomont and all the folks at the DNC for what they have done. I thank Secretary Babbitt and Ambassador Babbitt for coming tonight. And mostly, I want to thank you for being a part of these two very important components of our party's effort to take our country in to a new century.

As you might imagine, I'm feeling pretty good about things right now. I'm very happy about the budget agreement, very happy for our country. But I think it's worth pointing out that where we are today is a function of the work of tens of millions of Americans, in their own lives, making the most of those lives, and also a direct function of the changes that we brought to Washington 4½ years ago.

I was convinced in 1992 when I sought the Presidency, that we had to change the economic policy of the country if we wanted to build a structure of opportunity that would keep the American dream alive for all Americans. I was convinced that we would have to change the social policy of the country if we wanted to have an American community that really worked instead of being divided by race and region and religion and paralyzed by crime. And I was convinced we would have to change the role of Government and

that we needed a very expansive view of what our responsibilities in the world are.

And in so many ways, the conditions we enjoy in America today are the direct result of our country moving forward in all three of those areas. And I'd just like to say that we changed the economic policy to go from running deficits as far as the eye could see to bringing down the deficit but continuing to invest more in education, research, development, technology, science, while we were cutting back on the rest of Government and expanding trade throughout the world. And a lot of people said it wouldn't work.

But 4 years later, the deficit has been reduced. Before this balanced budget package is ever voted on, we will have a deficit that is 77 percent lower than it was the day I took office. And I'm proud of that, and you should be, too.

And our economy produced a record 12 million new jobs in the last 4 years. The unemployment rate is the lowest it's been in 24 years, the inflation rate the lowest in 30 years, the business investment rate the highest in 35 years. I'm proud of those things. I'm also proud as a Democrat that income inequality last year dropped by the largest amount since the 1960's, so that more and more ordinary Americans are beginning to participate in the benefits of a growing economy. And that is important, because we've had 20 years in which, because of competitive problems and a lot of other things, inequality among working people has increased in times where the economy is expanding and shrinking.

So these things are important, and we should feel good about them. I am proud of the fact that crime has gone down for 5 years in a row for the first time in about a quarter of a century, that we had the biggest drop in welfare rolls, before the welfare reform bill passed, in 50 years—50 years. And I'm proud of that. And you should be proud of that.

I'm proud of the fact that the world has moved closer toward peace and freedom than it was 4 years ago, in spirit of all the problems we have. And in the last 4 months and a couple of weeks, since the Inauguration, we can take some genuine pride in what has happened. In terms of creating oppor-

tunity, we negotiated a telecommunications agreement with the rest of the world which will open up 90 percent of the world's markets to American sellers and producers of telecommunications services and equipment. It will create hundreds of thousands of high-wage jobs in America over the next few years.

This balanced budget agreement will keep the deficit coming down; it will keep interest rates down; it will lengthen the economic recovery. It also contains almost everything that I advocated in the campaign of 1996. You heard Cynthia say that it has the biggest increase in educational investment in a generation. It also has the biggest expansion of aid for people to go to colleges since 1945, since the GI bill came in. It has the biggest increase in Pell grant scholarships for poor students in 20 years and will provide tax deductions and tax credits to make the first 2 years of college as universal as a high school diploma is today and to put college within reach of all Americans. I think that is very important, and I hope you do, too.

With the Secretary of the Interior here, I can't help noting that it also has a very strong environmental budget. It protects our parks and enables us to continue our historic work of rescuing the Florida Everglades from destruction and will enable us to clean up 500 toxic waste dumps, the most dangerous ones in this country, in the next 4 years.

The plan will extend—[*applause*]. That's worth clapping for. The plan will extend health coverage to half of the 10 million children in America who don't have any health insurance. And these are in working families; these children are in working families.

The plan will restore, as I pledged to do in 1996, a lot of unfair cuts in assistance to legal immigrants and their children who come here lawfully and have misfortunes visit them. It will also provide funds to help cities in our high unemployment areas hire people who run out of their welfare benefits and have to go to work. And it will provide tax incentives for businesses to hire people from welfare to work.

So it is a good budget. There are tax provisions in this budget. The budget will contain some form of capital gains tax, some form of estate tax relief, the entire education tax package I generally described to you, and

some tax relief for families with children, minor children in the home, to help them deal with their child care and other costs. But the cost of this package is sharply circumscribed, and by agreement with the leaders of the Congress, it will—to give you some idea of it, in today's dollars it will only be about one-tenth as costly as the huge tax cut that was passed in 1981.

So don't let anybody tell you that we have agreed to blow a big hole in the deficit. We have not done so, and we will not do so. And I will not permit such a bill to become law. The bill we agreed to is a good-faith compromise reached by Republicans and Democrats, but it validates the economic direction this administration took. And it would not have been possible—none of this would have been possible if we hadn't passed the economic package back in 1993, with only Members of our party supporting it and with no votes to spare—the Vice President broke the tie in the Senate, and as he says, "Whenever I vote, we win." *[Laughter]*

So this is a happy day. This budget is good for America. The telecommunications agreement is good for America. We're moving forward economically. We're also moving forward to try to come together more. I'm trying to pass a juvenile justice bill in the Congress which will give communities the resources and the help they need to try to restore civility and calm and order to the lives of our young people.

In most of America, while crime is going down precipitously, the crime rate among people under 18 is continuing to rise, leveling off only last year. But in some places in America, it's a different story. In Boston, Massachusetts, there has not been a single child killed with a gun in 18 months, not a single child. In Houston, Texas, where the mayor opened an inner-city soccer program and an inner-city golf program—pre-Tiger Woods—*[laughter]*—he had 3,000 kids in the soccer program, 2,500 kids in the golf program, and the crime rate among juveniles went down.

So I'm doing my best to pass a juvenile justice bill that will follow up with what the crime bill did in 1994 and keep the crime rate coming down. Tomorrow I'll have an important announcement on welfare reform, to

try to move more people from welfare to work. There is a lot to do out there, but we are moving in the right direction, and you should feel good about your country.

On the world front, we've ratified the Chemical Weapons Convention, which will make every community in America safer from terrorism and crime in the future, from poison gas. We have reached an agreement between NATO and Russia that will have a partnership instead of enmity between NATO and Russia. And we will, in July, expand NATO for the first time. We are moving toward a more peaceful, more stable, more democratic world.

I just got back from a very successful trip to Mexico and Central America and the Caribbean, and I just have to tell you that I'm convinced that the direction we're taking is the right one. But we still have some tough decisions to make, and we can't rest on our laurels.

First of all, we've got to pass the budget, and then we have to see that the terms of the agreement become law in the appropriations bills. Secondly, we have to deal—now that we've dealt with the structural deficit in American life, in the years ahead, we're going to have to deal with the generational deficit. That is, we have to make sure that the burden of us baby boomers retiring does not bankrupt our children, number one. And number two, we have to do something about the fact that while we have the lowest poverty rate ever recorded among senior citizens in America last year—something I am proud of, that's a good thing, and America should be proud of it—the poverty rate among children under 18 was almost twice the poverty rate among Americans over 65. So we have challenges still out there awaiting us.

But what I want to say to you is, we can look at the last 4 years and we can look at the last 4 months and understand that as a country, our problems are like the problems of any other human endeavor, they yield to effort. When you move away from the rhetoric and you move away from the hot air and you sit down in good faith and you say, "What do we have to do to keep opportunity alive in America; what do we have to do to be a stronger American community; what do we

have to do to preserve our leadership role in the world," we can do these things.

Just one last issue that I'm very concerned about, and that is—and as I look around this room—I'm proud of this room for many reasons, but I think the fact that we are becoming the world's most diverse democracy, in terms of race and ethnicity and religion, is a huge asset in a world that's getting smaller and smaller and smaller. And having worked in Bosnia, Northern Ireland, the Middle East, and in the Aegean, I am mindful of the fact that racial and ethnic conflicts are difficult and thorny things. Having pleaded with my friends in Pakistan and India to try to resolve their difficulties—I'm glad to see them talking now—I'm mindful to the fact that these are difficult things.

But we should be able to see, both from the heartbreak of other countries in the world and from the enormous opportunities we are creating for ourselves, that if we can find a way to respect our differences and be bound closely together by our shared values, it is, I think, very likely that the United States in the next 50 years—even though we will be a smaller percentage of the world's population and a smaller percentage of its overall economy, I think it is very likely that we will have even more positive influence in the next 50 years that we did in the last 50 years.

But the number one question that will determine that—mark my words—is not an economic question or a Government budget question, it is whether we can learn to live together across the lines that divide us. That is the single most significant thing, in my judgment, along with whether we are willing to exercise our leadership in the world, that will determine the shape of the next 50 years. So I intend to work hard on the that, and I want you to help me.

The last thing I would like to say is that—again, regarding your presence here tonight—what you have done is to invest in the work of America. The purpose of political parties, in my judgment, is not only to win elections but to give people a forum within which they can become organized to express their views and to have people who represent their views act in the public interest. Because you are here, because you have supported us, because we won the last election, because

we are moving forward, this country is a better place. And you made a contribution to that. You continue to do it. And I hope tonight when you go home, you will be very proud of it.

Thank you, and God bless you.

NOTE: The President spoke at 8 p.m. in the Colonial Room at the Mayflower Hotel. In his remarks, he referred to dinner cochairs, C. Thomas Hendrickson, chair, Democratic Business Council, and Cynthia Friedman, chair, Women's Leadership Forum; Alan D. Solomont, national finance chair, and Steve Grossman, national chair, Democratic National Committee.

Remarks at a Democratic National Committee Dinner

May 19, 1997

Thank you very much. Thank you, ladies and gentlemen. And thank you, Steve, for that very eloquent introduction. I almost wish you'd just stay up here and give the rest of the speech. It was beautiful.

Ladies and gentlemen, thank you for being here tonight. I will be quite brief because I want us to have a chance just to sit around the table and visit, but I thought it might be helpful for me to just say a few things that everyone would hear, and it might inform our discussions going forward.

The first thing I want to say is that your country is moving in the right direction, and we should be glad of that. When I came here after the 1992 election, I had a simple strategic notion of what I wanted to do to prepare America for the new century. I wanted to change the economic policy of the country to create opportunity for everybody who was willing to work for it and get away from the endless deficits and go back to reducing the deficit, increasing investment in education and research and technology and the things we needed more of and expanding trade.

I wanted to change the social policy of this country in ways that would bring us together instead of driving us apart, focusing on bringing the crime rate down, reducing the welfare rolls, putting family at the center of social policy and helping people juggle family and work, and bringing us together across